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Billy Probers Seek Names in C-130 Dealings

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Senate and Justice Department investigators, pursuing what may be a new twist in the Billy Carter case, have asked the State Department for the names of Americans who attempted to broker a C-130 aircraft deal between Australia and Libya during the spring of 1979.

State Department attorneys are scheduled to meet today to decide whether to supply the information to the Senate subcommittee probing Billy Carter's Libyan connection as the panel moves into the final phase of its investigation.

Sources close to the subcommittee stressed that the new information may or may not be related to the Billy Carter inquiry. But investigators want to pursue all leads, particularly because Billy Carter's name has come up in allegations of efforts to help the Libyans get delivery of C-130 aircraft they had purchased from Lockheed. The United States embargoed delivery of the planes because of Libya's support of terrorist activities.

The effort by "several" Americans to broker a separate aircraft deal between Australia and Libya was disclosed in an Australian newspaper report last Sunday.

A State Department source yesterday confirmed that on "several occasions last year" the department had been approached by a number of Americans asking what the U.S. policy would be on such a sale.

Their argument, the source said, was that the 10 American-made C-130s Australia was proffering for sale were of an older model phased out by the Australian Air Force. The official described the planes as "clinkers that had been refurbished."

The administration official said he did not recall the approach by the brokers until he received a telephone call late last week from an Australian reporter.

He said he could not reveal the names of the American brokers without State Department approval.

But he acknowledged that his notes confirmed that efforts were made by intermediaries proposing to transfer the Australian aircraft to Libya.

Although there were no obstacles to the U.S. citizens purchasing the planes from Australia, their resale to Libya, or any other third party, would have required State Department approval.

Since the disclosure last weekend, the State Department has also been queried on the episode by Joel S. Lisker, the chief Justice Department investigator in the Billy Carter case.

Senate and Justice investigators apparently are interested in learning whether any of the brokers were involved with the president's brother. One State Department official familiar with the Australian aircraft affair said as far as he knows none of the brokers' names have surfaced in published reports on the Billy Carter investigation.

The Senate investigating subcommittee goes behind closed doors this afternoon to question CIA Director Stansfield Turner about why he drew the attention of Zbigniew Brzezinski, President Carter's national security adviser, to an intelligence report that indicated Billy Carter was attempting to negotiate a lucrative oil deal with Libya.

Brzezinski received this information in late March and called Billy Carter to warn him that his activities could prove politically embarrassing to his brother, the president.

Attorney General Benjamin R. Civiletti also learned in early April of Billy Carter's dealings with the Libyans and of imminent Libyan payments to Billy Carter. But he withheld the information from his own investigators until June 6 because, he said, he wanted to protect the source of the sensitive material.

Turner is expected to face tough questioning about why he chose to contact Brzezinski about the intelligence report and why he failed to brief two other administration officials with a need to know.

This is a line of inquiry that both subcommittee Chairman Birch Bayh, D-Ind., and Vice Chairman Strom Thurmond, R-S.C., are expected to pursue with Turner and other witnesses.

The basic thrust of today's closed session will be to try to determine which top administration officials knew about Billy Carter's Libyan ties, what they knew, when they knew it and what they did about it after learning of the relationship.

Another witness today is to be Paul Curran, the special prosecutor in the Carter warehouse investigation last year. Another possible witness is a U.S. attorney from New York Southern District who has been probing allegations that Libya was involved in a wide-scale effort to influence U.S. policy.

In another development yesterday, White House Press Secretary Jody Powell accused Republican members of the Senate investigating subcommittee of leaking "inaccurate" information on the Carter probe in an effort to embarrass the president.

Powell said there has been "a very active effort to disseminate inaccurate information, that presumably appears to stem out of the hearings on the Billy Carter-Libya matter."

He said the White House has spent "considerable time" checking out allegations that have proved groundless.

Powell flatly denied a report in The Daily Oklahoman that charged that the administration's new security system for classifying information — a "Royal" stamp would replace "Top Secret" as the highest designation — already has been applied to a sensitive cable in which Libyan officials described Billy Carter as an "agent of influence."